PROGRAMMERS EX PARTE SUBMISSION

Crown Media United States, LLC
12700 Ventura Boulevard, Suite 200
Studio City, California 91604

GSN - The Network for Games
2150 Colorado Avenue
Santa Monica, California 90404

The Outdoor Channel, Inc.
43445 Business Park Drive, Suite 103
Temecula, California 92590

International Networks, LLC
8900 Liberty Circle
Englewood, Colorado 80112

February 3, 2005

BY ELECTRONIC FILING

Chairman Michael K. Powell
Commissioner Kathleen Q. Abernathy
Commissioner Michael J. Copps
Commissioner Kevin J. Martin
Commissioner Jonathan S. Adelstein
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Written Ex Parte Submission in CS Docket No. 98-120

Dear Chairman Powell and Commissioners:

Crown Media United States, LLC (Hallmark Channel and Hallmark Movie Channel), The Outdoor Channel, Inc. (Outdoor Channel), GSN - The Network for Games (GSN) and International Networks, LLC (International Channel Networks) (collectively "Programmers") submit these comments in response to ex parte submissions by broadcasters and their trade associations seeking mandatory carriage of their multicast digital channels. Grant of multicast must-carry rights to broadcasters is contrary to the statutory language and to the public interest.

Broadcasters seek to position this proceeding as simply a competitive struggle between rival distribution media, i.e. cable operators and broadcasters. That formulation ignores the unreasonable burdens of multicast must-carry upon non-broadcast programmers like us and the viewers who appreciate the diversity we provide. In contrast to us, broadcasters do have an alternative to cable distribution -- the 6 MHz of bandwidth that the Commission provided to them without charge. However, broadcasters do not want to have to engage in the kind of competitive challenge which we have faced daily for years. Instead, they seek immediate and guaranteed distribution of their programming services to all cable subscribers, without regard to whether programming services such as ours are not launched or are deleted as a result of their claimed entitlement to carriage.

Substantially expanding must-carry to include multiple additional channels for all broadcasters is wrong, both as a matter of law and policy. If broadcasters provide desirable programming services as they claim they will, cable operators will carry them or viewers will watch them over the air. We seek and are entitled to a fair opportunity to compete for cable distribution -- nothing more and nothing less.

A. The Commission's Interpretation of "Primary Video" is Supported By Broadcasters' Use of the Term "Primary" in Their Network Affiliation Agreements.

As certain of the programmers explained in their September 4, 2002 Ex Parte Submission at 3-4, "primary video" means what it says, and the Commission correctly interpreted the statutory language in its First Report and Order. Such interpretation is consistent with the dictionary definitions of "primary" and court decisions interpreting that term. Faced with this clear, straightforward language, broadcasters and their trade associations have tried to ignore the plain meaning of the words and to twist them to mean their opposite.

Contrary to the tortured interpretations presented in their ex parte arguments, broadcasters use the term "primary" in the context of digital channels in the real world just as the Commission has interpreted it, i.e. as a single video channel which broadcasters designate as principal. The language from their own network affiliation agreements, as filed with the Commission, is clear and conclusive:

> DTV Conversion. Each Station acknowledges that upon commencement of operation of Station's digital television signal ("DTV channel"), each Station will, to the same extent as this Agreement provides for carriage of NBC Television Network programming on its analog channel, carry on such DTV channel the digital feed of such network programming as and in the technical format provided by NBC consistent with the ATSC standards, including all "program-related material" (as defined below), provided such program-related material is formatted to be contained within the 6 MHz channel assigned by the FCC to each Station for digital broadcasting. It is expressly understood that this Agreement applies only to the **primary** network feed in digital format of the programming provided by NBC to its affiliated stations for the purpose of analog broadcasting (the "Primary Network Feed"), together with any associated program-related material, and that Stations will in no event be required to carry additional digital network programming (i.e. "multiplexed" programming). Consistent with and subject to the foregoing, each Station shall have the right to use any available portion of its digital signal for the purpose of transmitting local programs or any other material for any business purpose; provided, however, that in the event that NBC proposes that any Station or Stations carry network multiplexed programming or ancillary data which is not program-related material, each Station agrees to negotiate in good faith with NBC regarding the terms pursuant to which such multiplexed programming or ancillary data may be carried.

Affiliation Agreement between National Broadcasting Company, Inc. and Gannett Co., Inc., et al., dated as of January 1, 2000 (emphasis added) (copy annexed as Exhibit A) at 15.

> WB agrees to make WB programming available to Affiliate in digital format, on a timetable and in a format determined by WB. WB will consult with Affiliate concerning its plans for digital production and delivery, including the transmission format to be employed. After the inception of Affiliate's broadcasts on its FCC-assigned digital frequency (the "DTV Channel"), Affiliate agrees to carry WB programming that is supplied in digital format on the DTV Channel. WB programming will be treated as Affiliate's **primary** network programming on the DTV Channel. It is acknowledged that Affiliate owns the digital bandwidth in its DTV Channel, and that Affiliate is not obligated to provide WB with more than one digital channel in its market.

Station Affiliation Agreement between the WB Television Network Partners L.P. and Qwest Broadcasting, L.L.C., dated as of August 26, 1999 (emphasis added) at 19.

Broadcaster arguments based upon collective nouns and analogies to "primary" colors are fictions developed for this proceeding. Affiliation agreements from the Commission's files, in which the broadcast parties obviously considered and chose the language carefully, confirm that the Commission correctly has interpreted the term "primary video" to mean a single video channel. Except for this proceeding, broadcasters use the term in the same way.

B. Multicast Must-Carry Has Not Been Shown to Be in the Public Interest.

Even if the Commission could reverse course and interpret the statutory language differently, broadcasters have not demonstrated that multicast must-carry is in the public interest, as distinguished from their financial self-interest. Their public interest arguments are based upon outmoded assumptions and unsupported speculation and generalizations.

1. Digital Broadcasters Have Access to Cable and DBS Homes

Broadcaster's must-carry arguments are founded upon a basic proposition which is without support in this proceeding -- that viewers cannot reasonably access broadcasters' digital programming in cable and DBS homes:

> If a broadcaster does not have access to the bulk of potential viewers in its market, it cannot justify or afford investments in multicast programming, including investments in equipment upgrades and program development. This is obvious. Cable systems provide service to an average of 67.4 percent of homes nationwide, while multicast services sent exclusively over the air would reach only 15.3 percent of the viewing public.

Special Factual Submission by the CBS Television Network Affiliates Association in Support of Multicast Carriage Requirement dated January 13, 2004 ("CBS Affiliates' Submission") (note omitted) at 9. However, the days when such access claims could be supported by simple references to the number of cable households or A/B switch arguments have long passed.

Broadcasters simply ignore record evidence indicating that cable subscribers are able to receive digital signals over-the-air with little or no inconvenience. Modern television receivers routinely afford multiple input options for cable, satellite, VCRs, DVDs, video games, video cameras, broadcast antennas and, in some cases, even computers. More importantly, these television receivers enable viewers to change their input selections merely by pressing a button on the remote control:

> [I]nput selector...switches, <u>which allow the viewer to toggle between off-air delivery of broadcast signals and other means of delivery (i.e. cable, satellite)</u> will be a standard feature in all of Phillips' DTV receivers, usually located on the receiver's remote control unit, based on our assessment that such a feature will respond to consumer demands for an easy-to-operate method of accessing HDTV signals directly off-air.

<u>See</u> Comments of Phillips Electronic North America Corporation, filed October 13, 1998 (emphasis added) at 19. Other equipment manufacturers stated with certainty that their DTV receivers would be "uniformly capable of receiving and displaying off-air DTV signals, with little or no difficulty or confusion being imposed upon the consumer," even where the consumer subscribes to cable, because the consumer will be able to switch between cable and broadcast antenna input selections at the touch of a button. <u>See</u>, <u>e.g.</u>, Comments of Thomson Consumer Electronics Corporation, filed October 13, 1998, at 23-24.

Technology to support over-the-air reception of digital signals continues to improve. For example, Funai Electric Co., Ltd., of Japan ("Funai") announced that it will introduce this year a set-top box which allows for easy reception of over-the-air digital broadcast signals using ATI Technology Inc.'s NXT 2004 technology to electronically reposition an antenna for optimal reception. Funai's set-top box features "one button quick response operation." The company's products are sold under well-known brand names such as Emerson, Sylvania and Symphonic. *See* "Funai Chooses ATI for First Set-Top Box" (Nov. 21, 2004). LG Electronics recently announced that it will market a television model in 2005 containing "an NTSC/ATSC tuner, allowing users to receive unscrambled digital cable plus over-the-air broadcast of all format DTV signals. . . ." *See* "LG's Flatiron L1730S Monitor Receives Top Honors in Computer Components Category," PR Newswire (Nov. 16, 2004).

Last year, CEA noted the "broad array of options" for receiving digital and HDTV programming available to consumers:

> Eighty-one models of integrated HDTV sets (ATSC broadcast tuners built-in) currently are on the market, compared to only 34 one year ago; and 12 of these integrated sets today also are digital cable ready products with more models set to appear in the weeks ahead. Additionally, consumers may choose to buy one of the 25 DTV set-top box models for over-the-air or satellite reception, or one of the growing number of PC tuner card options for DTV reception.

See "'Digital Cable Ready' HDTV Marks Major Milestone in Digital Television Transition" (July 1, 2004).

There is absolutely no evidence in the record to support the assumption that cable subscribers, who easily switch their television inputs from cable to VCRs, DVD players, video cameras and video games, will be unable to switch easily from cable to broadcast reception of the multicast signals. It is simply an additional function available with a push of a button on the remote control.

2. Multicast Must-Carry Will Decrease Program Diversity

Absent a showing that cable subscribers lose the ability to access digital broadcast channels easily by antenna, mandatory cable carriage of digital multicasts would reduce the number of information sources available to cable subscribers. Current industry reports indicate that broadcasters may be able to transmit at least five or six SDTV signals within the 6 MHz of bandwidth allotted for their DTV channel. See, e.g., "Suddenly It's Hip to Spectrum Split," Broadcasting and Cable, December 8, 2003 at 30 (HDTV originally required 19.4 Mbps, but encoders now can fit "the 1080i HDTV signal into a stream requiring 14 Mbps," and standard definition digital takes up only 25% of the bandwidth that an HDTV signal needs). In the Washington, D.C. DMA, for example, 50 or more commercial digital SDTV programming streams may become available over the air in addition to the services currently offered by the cable operator.[1] A cable subscriber who can "toggle between off-air delivery of broadcast signals and other means of delivery (i.e. cable, satellite)" by hitting a button on his remote control, can easily access both the over-the-air standard definition digital multicasts and the programming separately offered by the cable provider. Under multicast must-carry, however, each of the over-the-air broadcast services would be required to be duplicated on the cable system, reducing the number and variety of services otherwise available to cable subscribers. Clearly, such result is inconsistent with the governmental interest of "promoting widespread dissemination of information from a multiplicity of sources."

Mandatory cable carriage of broadcasters' multicasts will duplicate on cable the programming services that already would be available over the air and will displace competing cable programming services for which the viewer will have no alternative means of access. The Programmers have obtained carriage on cable systems through creative development and programming of their respective services, aggressive marketing, difficult negotiations with cable operators, and the expenditure of substantial amounts of time, effort and money. There is no factual basis in this record to permit broadcasters to develop competing programming services that will be entitled automatically to cable carriage merely because they are owned by broadcasters.

In any event, if broadcasters provide desirable local content, cable operators will carry it as the result of fair competition in the free market and not government mandate. Outside the context of this proceeding, broadcasters have admitted that basic market fact:

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[1] Industry reports also indicate that digital transmissions with "less motion-intensive content, such as weather services, can be compressed into less than 2 Mbps," resulting in even more information services being available within the 6 MHz of spectrum provided by the Commission to broadcasters free of charge. Id. The "all free bits must flow" proposal by the broadcasters would require all of these services to be carried on cable.

> "It may just be a good business anyway," with or without cable must-carry, Falco said. "Distribution comes in many forms now. Distribution is a commodity. If you have good content, there's a million ways to get distribution."

"NBC: Multicasting Might Fly Even Without Must-Carry," Broadcasting & Cable Breaking News (Jan. 20, 2004). Mr. Falco is the NBC Television Network Group President and reportedly made these comments during a briefing on a meeting between NBC and members of its affiliates' board regarding the viability of their "business plan of jointly producing digital-TV channels" if the Commission does not order multicast must-carry.

3. Broadcasters Current Claims About HDTV Are Inconsistent

The CBS affiliates have suggested that "if broadcasters' multicast services are denied access to cable subscribers" there will be "a uniform gravitation toward HDTV services with little or no multicasting, to the public detriment." CBS Affiliates' Submission at iii. Reportedly, the CBS Affiliates have claimed that "[b]roadcasters 'will opt for an all-HDTV strategy, which may be second-best in terms of service to the public....'" "CBS Affils Threaten to Abandon Multicasting," Broadcasting & Cable (Feb. 27, 2004). The NBC Affiliates have suggested that the Commission's reaffirmation of its earlier decision to reject multicast must-carry "could well lead to broadcasters...broadcast[ing] HDTV twenty-four hours a day." Special Factual Submission in Support of Multicast Carriage by the NBC Television Affiliates Association ("NBC Affiliates' Submission") at 7.

Although the CBS and NBC Affiliates characterize this HDTV approach as contrary to the public interest, it would correctly return this proceeding to the original justification for providing to broadcasters 6 MHz of free bandwidth. The Commission's "advanced television systems" proceeding was initiated for the stated purpose of "authorizing terrestrial broadcast facilities that will deliver to the public television pictures with a clarity and color approaching that of 35 mm film and sound equipment to that of compact discs." See Advanced Television Systems And Their Impact on The Existing Television Broadcast Service, Tentative Decision and Further Notice of Inquiry, 3 FCC Rcd. 6520 (1998) ("ATV Tentative Decision") at ¶1, n.1 ("HDTV generally refers to systems that provide quality approaching that of 35 mm film," as opposed to "enhanced definition television" or EDTV, which "refers to systems that perform better than NTSC but not on par with 35 mm film").

The Commission's Advisory Committee on ATV specifically concluded that "to remain competitive, broadcasters must have the opportunity to deliver HDTV-quality signals to their audiences." Id. at ¶10. Consequently, the Commission selected an advanced television platform that would promote HDTV. See Advanced Television Systems And Their Impact on the Existing Television Broadcast Service, First Report & Order, 5 FCC Rcd. 5627 (1990) ("First ATV R&O") at ¶1 and n.1 ("we have determined...that we will select a 'simulcast' high definition television (HDTV) system...for ATV service," the goal of which is to "provide picture quality approaching that of 35 mm film and sound quality approaching that of a compact disc"). The Commission specifically declined to adopt standards for an enhanced television system, noting that such a system would "provide significant improvements over the current system, [but] falls short of the audio and video quality offered by HDTV." Id. at ¶7. In supporting the Commission's proposal to assign each broadcaster a second 6 MHz channel to facilitate its transition to advanced television, broadcasters argued "that the entire 6 MHz is required" because "assigning anything less would deprive the public of HDTV." See Advanced Television Systems And Their Impact Upon The Existing Television Broadcast Service, Fifth Report and Order, 12 FCC Rcd. 12809 (1997) ("Fifth ATV R&O") at ¶9 and n. 8, citing Joint Comments of Broadcasters (a "joint filing of 96 broadcast related entities including Capital Cities/ABC, Inc., CBS, Inc., NBC, Inc., Fox Television Stations, Inc. National Association of Broadcasters, and Association of Independent Television Stations, now the Association of Local Television Stations"). Thus, the broadcasters staked their claim to 6 MHz of additional bandwidth during the transition period by contending that HDTV transmission was essential to their competitive survival and that 6 MHz of spectrum was essential to HDTV transmission.

In contrast, the broadcasters now claim that their competitive survival depends upon their ability to provide multiple channels of standard digital television (SDTV) programming in addition to, or in lieu of, the HDTV transmission of their original signal and to have all of those signals carried on cable. See, e.g., Written Ex Part e Submission of the Association of Public Television Stations, Public Broadcasting Service and Corporation for Public Broadcasting, February 27, 2003 at 3 ("public television's future viability depends upon being able to provide a rich mix of HDTV and multicast services"); Written Ex Parte Submission of NAB, August 5, 2002 at 9 (must-carry is necessary to provide financial incentive "for broadcasters to invest the huge sums needed to develop multiple streams of locally-oriented programming or innovative video services"). In essence, the broadcasters are now advocating must-carry status for the very type of EDTV transmissions that the Commission previously found unsatisfactory in deciding to award 6 MHz of spectrum to the broadcasters in the first place.

* * *

Government mandated carriage clearly does not promote "fair competition." In fact, the programmers seek only that opportunity. If local broadcasters produce a more desirable programming product, they will win the competitive battle with us. However, they should be required to compete just as we do.

Dated: February 3, 2005

Respectfully submitted,

CARTER LEDYARD & MILBURN LLP

By:________/s/________________

Robert L. Hoegle, Esquire
Timothy J. Fitzgibbon, Esquire
CARTER LEDYARD & MILBURN LLP
1401 Eye Street, N.W., Suite 300
Washington, D.C. 20005
Telephone: (202) 898-1515
Facsimile: (202) 898-1521

Counsel for:
CROWN MEDIA UNITED STATES, LLC
12700 VENTURA BOULEVARD, SUITE 200
STUDIO CITY, CALIFORNIA 91604

THE OUTDOOR CHANNEL, INC.
43445 Business Park Drive, Suite 103
Temecula, California 92590

GSN - THE NETWORK FOR GAMES
2150 Colorado Avenue
Santa Monica, California 90404

INTERNATIONAL NETWORKS, LLC
8900 LIBERTY CIRCLE
ENGLEWOOD, COLORADO 80112

cc: John A. Rogovin, Esquire
Mr. W. Kenneth Ferree

EXHIBIT A

David P. Fleming
Senior Legal Counsel

2307 9

GANNETT

February 28, 2000

RECEIVED
FEB 29 2000
FCC MAIL ROOM

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
The Portals
445 12th Street, S.W.
Washington, DC 20554

Re: Multimedia Holdings Corporation
Station KARE(TV), Minneapolis, MN
Ownership File-Network Agreements

Dear Ms. Salas:

On behalf of Multimedia Holdings Corporation, the licensee of television station KARE(TV), Minneapolis, MN, we are filing herewith, pursuant to Section 73.3613(a) of the Commission's rules, a copy of its network affiliation agreement with NBC.

Please contact the undersigned if any further information is required.

Very truly yours,

David P. Fleming

DPF/bas

Enclosure

cc: John Remes
(For the Station Public Inspection File)

1100 Wilson Boulevard • Arlington, VA 22234 • (703) 284-6621 • Fax: (703) 558-4674 #49888.1

As of January 1, 2000

GANNETT CO., INC.
1100 Wilson Blvd.
Arlington, VA 22234
("Group")

The Licensees set forth on
Schedule I hereto
(collectively, the "Licensees")

RE: WXIA (Atlanta, Georgia)
WLBZ (Bangor, Maine)
WGRZ (Buffalo, New York)
WKYC (Cleveland, Ohio)
KUSA (Denver, Colorado)
KNAZ (Flagstaff, Arizona)
WTLV (Jacksonville, Florida)
WBIR (Knoxville, Tennessee)
KARE (Minneapolis, Minnesota)
KPNX (Phoenix, Arizona)
WCSH (Portland, Maine)
KSDK (St. Louis, Missouri)

Ladies and Gentlemen:

The following shall comprise the agreement among us for the affiliation of each of your respective television broadcasting stations as set forth above (each of the Licensees and their respective station being referred to herein together as a "Station", and all of the Stations, collectively, the "Stations") with the NBC Television Network (herein called "NBC") and shall supersede and replace all prior agreements between each Station and NBC, including without limitation the prior agreements dated as set forth on Schedule I hereto, except (x) for the most recent amendment with respect to network non-duplication protection under Federal Communications Commission ("FCC") Rules Section 76.92, (y) for the "Inventory Management Plan" (as defined in Section 7 below) and the 1999 Promotion Swap Plan, and (z) that except as superseded herein any indemnities between the parties provided for in such prior agreements, as well as any liabilities outstanding thereunder as of the date of this Agreement, shall survive.

1. Term. This Agreement shall become effective as of 3:00 A.M., New York City time, on the 1st day of January, 2000 and, unless sooner terminated as provided in this Agreement, it shall remain in effect for a period of six years thereafter.

2. NBC Programming.

(a) NBC shall deliver to each Station, for free, over-the-air television broadcasting, NBC Television Network programming which NBC makes available for over-the-air broadcasting in the community to which such Station is presently licensed by the FCC, except as otherwise expressly provided herein.

(b) NBC commits to supply sufficient programming throughout the term of this Agreement to each Station for the hours as set forth in Exhibit A hereto (the "Programmed Time Periods").

(c) The selection, scheduling, substitution and withdrawal of any program or portion thereof delivered to each Station during the Programmed Time Periods shall at all times remain within the sole discretion and control of NBC. The parties acknowledge that local and network programming needs may change during the term of this Agreement, and each Station acknowledges that NBC from time to time throughout the term of this Agreement may (i) subtract from or otherwise modify (but not add to) the Programmed Time Periods upon at least one hundred eighty (180) days' prior notice to such Station, and (ii) add to the Programmed Time Periods only after NBC has announced the proposed addition to a majority (based on Nielsen DMA percentage designations in effect at the time) (the "Affiliate Majority") of NBC affiliated television stations ("NBC Affiliates") and, after such announcement, NBC has determined to implement such addition with respect to the Affiliate Majority.

(d) NBC shall advise each Station of NBC's programming for the Programmed Time Periods at least sixty (60) days prior to the commencement of any Broadcast Year by posting on the internet site currently referred to as "Affiliate Partnership Tool" ("APT") or by any other means of written notice as NBC may deem advisable. For the purposes of this Agreement, a "Broadcast Year" shall mean a twelve (12) month period during the term hereof which commences on any September 1 and which ends on August 31 of the immediately following year. NBC shall advise Stations of any changes in programming or scheduling by posting on APT or by such other means of written notice as NBC may deem advisable.

(e) In addition to the programming supplied pursuant to Section 2(b) above, NBC shall offer Stations throughout the term of this Agreement a variety of sports programming ("NBC Sports Programming") and special events programming for television broadcast at times other than the Programmed Time Periods. Each Station shall have the right of first refusal with respect to any such programming good for seventy-two (72) hours as against any other television station located in such Station's community of license or any television program transmission service furnishing a television signal to Station's community of license, including, but not limited to, any cable television system, subscription television service, multipoint distribution system and satellite transmission service. Each Station shall confirm its clearance of such programming to NBC within the aforementioned 72-hour period. A Station's acceptance of NBC's offer shall constitute that Station's agreement to broadcast such programming in accordance with the terms of such offer and this Agreement.

(f) Notwithstanding any other provision in this Agreement, no pre-existing acceptance of NBC programming shall be superseded or otherwise affected by this Agreement, and those acceptances shall remain in full force and effect. With respect to NBC programs outside the Programmed Time Periods, nothing herein contained shall prevent or hinder NBC from (i) substituting one or more sponsored or sustaining programs, in which event NBC shall offer such substituted program or programs to Stations in accordance with the provisions of Section 2(e), or (ii) canceling one or more such NBC programs; provided, however, that NBC shall exercise all reasonable efforts to give Stations at least three (3) weeks prior written notice of such substitution or cancellation. Stations shall not be obligated to broadcast, and NBC shall not be obligated to continue to deliver, subsequent to the termination of this Agreement, any programs which NBC may have offered and which Stations may have accepted and scheduled for broadcast during the term hereof.

3. Station Carriage in Programmed Time Periods. Each Station agrees that, subject only to its preemption rights described in Section 4 below, Station shall clear and broadcast over Station's facilities all NBC programming supplied to Station for broadcast in the Programmed Time Periods on the dates and at the times the programs are scheduled by NBC, except to the extent that Station is actually broadcasting programming pursuant to (and expressly within the specified limits of) a commitment contemplated by Section 4(b) or 4(c) below. Notwithstanding the foregoing, with the prior written consent of NBC, a Station may clear and broadcast NBC programming at times other than the times the programs are scheduled by NBC, and Stations and NBC agree to negotiate in good faith any such proposed scheduling changes. Any such agreed scheduling change shall count as ½ of a unit toward Station's Prime Time Preemption Amount (as defined in Section 4(b); e.g., if the program runs for one hour, Station's Prime Time Preemption Amount would be reduced by ½ hour; a ½-hour program would result in a reduction of Station's Prime Time Preemption Amount by ¼ hour) if Station can demonstrate to NBC's reasonable satisfaction that the scheduling change will not result in a decrease of more than ½ the HUTs the program would have delivered if broadcast at the originally scheduled time. If Station is not able to so demonstrate, the agreed scheduling change will count as one unit toward Station's Prime Time Preemption Amount (e.g., if the program runs for one hour, Station's Prime Time Preemption Amount would be reduced by one hour, etc.).

4. Preemptions.

(a) (i) In the event that a Station (each such Station, an "Affected Station") preempts or fails to clear or broadcast any NBC programming as provided herein on the dates and at the times the programs are scheduled by NBC for any reason other than: (i) the live coverage of local news events, including follow-up coverage which airs within 48 hours of the original newsworthy event ("Local News Events"), (ii) as permitted by Sections 4(b) or 4(c) below, (iii) force majeure as provided for in Section 13 below, or (iv) because: (A) the programming is delivered in a form which does not meet accepted standards of good engineering practice; or (B) the Affected Station reasonably believes that such programming would not meet prevailing contemporary standards of good taste in its community of license, then, without limiting any other rights of NBC under this Agreement or otherwise, upon NBC's request, either Group or the Affected Station shall pay NBC, or NBC may deduct or offset from any amounts payable to Group hereunder or under any other agreement between any Station and NBC (or an entity controlling, controlled by or under common control with NBC), an amount equivalent to NBC's loss in gross advertising revenues attributable to the failure of the Affected Station to broadcast such program in the Affected Station's market as scheduled by NBC, which amount shall be calculated in accordance with the Economic Adjustments set forth on Exhibit B hereto.

(ii) Each Station acknowledges that NBC programming previously broadcast by such Station has been consistent with the standards set forth in the foregoing clause (a)(iv); each Station also agrees that Station's reasonable belief that an NBC program does not meet such standards will be based on a substantial difference in such program's style and content from NBC programs previously broadcast by such Station, unless the relevant standards in that Station's community of license have changed substantially. Each Station confirms that Station shall not preempt or fail to clear or broadcast NBC programming pursuant to the foregoing clause (a)(iv) due to commercial motivation; that is, no NBC programming shall be deemed to be unsatisfactory, unsuitable or contrary to the public interest based on programming performance or ratings or the availability of alternative programming (including, but not limited to, sporting events, program-length commercials and infomercials, and other paid programming) which a Station believes to be more profitable or more attractive.

(b) As an inducement for NBC to enter into this Agreement, each Station covenants, represents and warrants to NBC that in any Broadcast Year during the term of this Agreement, such Station shall preempt no more than five (5) hours in the aggregate (the "Prime Time Preemption Amount") of NBC programs during the Prime Time Programmed Time Period for any reason other than for Local News Events. Each Station hereby confirms that its rights and obligations under this Section 4(b) are consistent with the provisions of Section 4(g) below.

(c) Each Station hereby agrees to accept and clear on the dates and at the times scheduled by NBC all NBC Sports Programming offered to Station by NBC outside the Programmed Time Periods except Station shall have no obligation to accept and clear NBC Sports Programming to the extent such programming directly conflicts with Station's coverage of local sports events and special events of particular local interest (such local sports events and special events are collectively referred to below as "Special Programs"). Each Station agrees that its planned coverage of Special Programs outside the Programmed Time Periods in any Broadcast Year during the term of this Agreement shall not exceed more than five (5) hours in the aggregate (the "Sports Preemption Amount"). Notwithstanding the foregoing, no Station shall have any obligation to accept and clear more than 583 hours of NBC Sports Programming (excluding Olympics programming and excluding any additional NBC sports programming acquisitions made with the consent of the Affiliate Board of the NBC Affiliates (the "Affiliate Board") or the Affiliate Majority) for broadcast on Saturdays and Sundays in any Broadcast Year, and a Station's failure to accept and clear more than 583 hours of such NBC Sports Programming shall not be deemed a preemption for any purposes of this Agreement.

(d) Each Station acknowledges the substantial investment in network programming to be incurred during the term of this Agreement in order to provide Stations with network-quality news, public affairs, entertainment, sports, children's and other programming during the Programmed Time Periods. Each Station further acknowledges and confirms that in view of (x) NBC's substantial investment in network programming, (y) the amount of broadcast time available to Station outside the Programmed Time Periods and (z) Station's Prime Time Preemption Amount and Sports Preemption Amount, Station does not foresee any need to substitute programming of any kind for NBC programming, except in those circumstances requiring coverage of Local News Events.

(e) As used in this Agreement, the "Local News Events" shall in no event refer to the addition of scheduled local news programs as part of a Station's regular continuing program schedule.

(f) In the event that a Station, for any reason, fails to broadcast or advises NBC that it will not broadcast any NBC programming as provided herein (other than pursuant to an agreement in accordance with Section 3), then, in each case, in addition to NBC's remedies pursuant to Section 4(a), reductions in Station's Prime Time Preemption Amount and/or Sports Preemption Amount, as appropriate, and otherwise, such Station, upon notice from NBC to Station, shall broadcast such omitted programming and the commercial announcements contained therein (or any replacement programming and the commercial announcements contained therein) during a time period or periods which Station and NBC shall use reasonable efforts to promptly and mutually agree upon and which shall, to the extent possible, be of a quality and rating value comparable to that of the time period or periods at which such omitted programming was not broadcast as provided herein. In the event that such Station and NBC do not promptly agree upon a time period or periods as provided in the preceding sentence, then, without limitation to any other rights of NBC under this Agreement or otherwise, NBC shall have the right to license the broadcast rights to the applicable omitted programming (or replacement programming) to another distribution outlet located in that Station's community of license.

(g) Subject to Section 4(a)(ii), with respect to programs offered or already contracted for pursuant to this Agreement, nothing herein contained shall be construed to prevent or hinder a Station from: (i) rejecting or refusing any NBC program which Station reasonably believes to be unsatisfactory or unsuitable or contrary to the public interest, or (ii) substituting a program which, in Station's opinion, is of greater local or national importance; provided, however, that Station shall give NBC written notice of each such rejection, refusal or substitution, and the reason therefor, at least (X) twelve (12) weeks or (Y) 48 hours after Station receives notification of the program's content, whichever is earlier, in advance of the scheduled broadcast, or as soon thereafter as possible (including an explanation of the cause for any lesser notice). A Station's determination that a substitute program is of greater local or national importance shall have a substantial basis in fact and shall be based on facts with which a reasonable, objective third party would agree. A Station's failure to provide NBC with twelve weeks' or 48 hours' notice (whichever is applicable) of each rejection, refusal or substitution in circumstances where Station was or should have been able to deliver such notice within such time frame shall cause the rejected, refused or substituted programming to count toward that Station's Prime Time Preemption Amount or Sports Preemption Amount, as applicable.

(h) Without limiting or affecting any other determination of a material breach hereunder, any failure by a Station to pay any amount due to NBC under this Section 4 (which is not offset or deducted as provided for herein) which failure is not cured within 30 days following such Station's receipt of written notice from NBC shall be deemed a material breach of this Agreement. In the event of a Station's (the "Breaching Station") material breach of this Agreement, without limiting any other of rights of NBC under this Agreement or otherwise, NBC shall have the option, exercisable in its sole discretion upon thirty (30) days' written notice to the Breaching Station, to terminate the Breaching Station's right to broadcast any one or more series or other NBC programs, as NBC shall elect, and, to the extent and for the period(s) that NBC elects, thereafter license the broadcast rights to such series or other NBC program(s) to any other distribution outlet or outlets located in the Breaching Station's community of license.

(i) Notwithstanding the foregoing provisions of this Section 4, in the event that a Station preempts or fails to clear or broadcast on the dates and at the times scheduled by NBC (in the absence of an agreement regarding a schedule change pursuant to Section 3) the same NBC prime time program for four consecutive scheduled broadcasts of the program, for any reason other than for the Local News Events, then (x) the preemptions shall constitute such Station's permanent non-clearance of the program for the duration of the Broadcast Year, (y) each preemption or failure to clear the program shall count toward such Station's Prime Time Preemption Amount and (z) NBC shall be entitled to the payments contemplated by Section 4(a) above in respect of the program for each scheduled broadcast of the program for the duration of the Broadcast Year.

(j) Notwithstanding any provision in this Agreement to the contrary, a Station's Prime Time Preemption Amount shall be increased by one-half hour each time that:

(i) NBC programming preempts Station's local Saturday or Sunday early evening (e.g., 6PM) newscast more than 39 times in any Broadcast Year; provided, that this provision shall not take effect if Station preempts NBC Nightly News (or any replacement programming) in order to air its local newscast or other non-network programming;

(ii) NBC programming preempts Station's local late evening (e.g., 11PM) newscast more than 30 times in any Broadcast Year;

it being agreed that neither (x) preemptions caused by NBC Olympics programming or breaking news or (y) preemptions of 7 ½ minutes or less, shall trigger any increase to Station's Prime Time Preemption Amount pursuant to this Section 4(j).

5. Payments.

(a) NBC Payments. In further consideration of each Station's performance of its respective obligations under this Agreement throughout the term hereof, NBC shall pay to Group the amounts set forth on Exhibit C hereto, subject to adjustment pursuant to this Agreement. NBC shall pay Group all amounts due and payable pursuant to this Section 5 by electronic transfer or such other means as NBC shall determine on a biannual basis on or about June 15 and December 15 of each year during the term of this Agreement.

(b) Station Payments. In further consideration of NBC entering into this Agreement with Stations, Group and Stations agree that each Station shall pay NBC (or an entity controlling, controlled by or under common control with NBC):

(i) All amounts owed by such Station pursuant to Station's NBC News Channel Participation Agreement;

(ii) All amounts owed by such Station pursuant to Station's Distribution Contribution Agreement (as defined below);

(iii) All amounts owed by such Station pursuant to the Inventory Management Plan; and

(iv) All amounts owed by such Station pursuant to this Agreement, including without limitation pursuant to Sections 3, 4 and 5(c) hereof.

NBC hereby acknowledges that the amounts set forth on Exhibit C hereto have been adjusted to reflect deductions for Stations' payment obligations, as known on the date hereof, throughout the term of this Agreement for the arrangements set forth in clauses (i), (ii) and (iii) above. To the extent that a Station's payment obligations under any such arrangement increase after the date hereof, each such Station shall remain fully obligated to NBC (or the appropriate entity controlling, controlled by or under common control with NBC, as the case may be) in respect of any and all such increases; provided, that prior to implementing any such increase NBC (or the appropriate entity controlling, controlled by or under common control with NBC), at NBC's option, either (x) shall have reached consensus with regard to such increase with the Affiliate Board (or successor group) or (y) an independent audit firm, mutually selected by Group and NBC, shall have conducted an audit setting forth the calculations relating to such increase (the costs and expenses of such audit to be shared equally between Group and NBC) and shall have provided the results of such audit to Group.

(c) NBC Adjustments for Station's Failure to Broadcast During Specified Time Period. Notwithstanding the foregoing provisions of this Section 5, NBC reserves the right, in its sole discretion, to withhold payment of amounts otherwise payable to Group hereunder in the event that a network sponsored program or portion thereof is broadcast by a Station during a time period other than the time period or periods as specified by NBC for the broadcast of such program and Station has not otherwise reached agreement with NBC regarding such schedule change pursuant to Section 3. If NBC so elects to withhold amounts payable to Group, NBC shall calculate the amount to be withheld in accordance with the Economic Adjustments set forth on Exhibit B hereto.

(d) Offset. In addition to amounts contemplated by Section 5(c) hereof, but subject to the last paragraph of Section 5(b), NBC further reserves the right to make other deductions from the amounts otherwise payable to Group hereunder for any amounts or fees otherwise owed by a Station to NBC (or an entity controlling, controlled by or under common control with NBC) whether under this Agreement or otherwise.

(e) Allocation Amounts. In the event that this Agreement is terminated or assigned for any reason with respect to any one or more Stations, NBC further reserves the right to reduce the amounts otherwise payable to Group hereunder in addition to adjustments contemplated by Section 5(c) and 5(d) above. In the event of such a termination or assignment, NBC shall reduce the amounts payable under Section 5(a) hereof by an the amount (the "Allocation Amount") in respect of the terminated or assigned Station or Stations as set forth on Exhibit D hereto, prorated from the date of such termination or assignment.

6. Distribution Contribution Agreement. Each Station shall enter into a Distribution Contribution Agreement in the form attached as Exhibit E hereto.

7. Inventory Management Plan. Each Station shall fully participate in the "Inventory Management Plan" as endorsed by NBC Television Affiliates (a/k/a the NBC Affiliate Board (the "Affiliate Board")) on May 19, 1998 (the "Inventory Management Plan"), and in any additional or substitute inventory management plans approved in the future by the Affiliate Majority.

8. Local Commercial Announcements. From time to time, NBC shall provide Stations with notice (which may be transmitted electronically and/or via APT) at least once each calendar quarter setting forth the amount and placement of availabilities for Stations' respective local commercial announcements in and adjacent to regularly scheduled NBC programming ("Local Announcements"). NBC agrees that during each calendar quarter during the term of this Agreement, the average weekly number of thirty-second units available for each Station's Local Announcements (with adjustments for national sports programming, Olympics programming,

special news coverage and other special events which for reasons beyond NBC's control limit NBC's ability to make time available for Local Announcements) shall be not fewer than 100 per week.

9. Delivery. NBC shall transmit the programming hereunder by satellite and shall notify Stations as to both the satellite and transponder being used for such transmission, and the programming shall be deemed delivered to Stations when transmitted to the satellite. Where, in the opinion of NBC, it is impractical or undesirable to furnish a program over satellite facilities, NBC may deliver the program to Stations in any other manner, including but not limited to, in the form of motion picture film, video tape or other recorded version, postage prepaid, in sufficient time for Stations to broadcast the program at the time scheduled. Any such recordings provided to Stations shall be used only for a single television broadcast over Stations, and Stations shall comply with all NBC instructions concerning the disposition to be made of each such recording received by Stations hereunder.

10. Conditions of Stations' Broadcast. Each Station's broadcast of NBC programming shall be subject to the following terms and conditions:

(a) Station shall not make any deletions from, or additions or modifications to, any NBC program furnished to Station hereunder or any commercial, NBC identification, program promotional or production credit announcements or other interstitial material contained therein, nor broadcast any commercial or other announcements (except breaking news bulletins) during any such program, without NBC's prior written authorization. Station may, however, delete announcements promoting any NBC program which is not to be broadcast by Station, provided that (i) such deletion shall be permitted only in the event and to the extent that Station substitutes for any such deleted promotional announcements other announcements promoting NBC programs to be broadcast by Station, and (ii) Station shall run an announcement (which may be by voice-over or crawl) within the program broadcast at the scheduled time of NBC's preempted program identifying(x) the preempted NBC program and its next scheduled broadcast time and date, and (y) in the event NBC has licensed the broadcast rights to the preempted NBC program to another distribution outlet located in Station's community of license, such other distribution outlet and its scheduled broadcast time and date of the program.

(b) For purposes of identification of Station with the NBC programs, and until written notice to the contrary is given by NBC, Station may superimpose on various Entertainment programs, where designated by NBC, a single line of type, not to exceed fifty (50) video lines in height and situated in the lower eighth raster of the video screen, which single line shall include (and be limited to) Station's call letters, community of license or home market, channel number, and the NBC logo. No other addition to any Entertainment program is contemplated by this consent, and the authorization contained herein specifically excludes and prohibits any addition whatsoever to News and Sports programs, except identification of Station as provided in the preceding sentence as required by the FCC.

(c) The placement and duration of station-break periods provided for locally originated announcements between NBC programs or segments thereof shall be designated by NBC.

(d) In the event of the confirmation by NBC of any violation by Station of any of the provisions of this Section 10, NBC may, in its reasonable discretion, withhold an amount otherwise due Station under Section 5 above which is appropriate in view of the nature of the specific violation, it being understood that the amount withheld for any violation shall not exceed the total amounts paid by NBC to Station hereunder pro-rated for the time period in which such violation occurs. Nothing contained in this Section 10(d) shall limit the rights of Station under Section 4(g) above.

11. Local News. Each Station agrees, during the term of this Agreement, to broadcast local news programs of at least thirty (30) minutes in length as lead-ins to "The Today Show" (or replacement programming), "NBC Nightly News" (or replacement programming) and NBC's Late Night Programming; provided, that Station may, upon consultation with NBC, schedule its early evening local news program following "NBC Nightly News" instead of preceding it; provided, further, that Station may preempt any of such local news programming on Saturday or Sunday to the extent that such programming would directly conflict with Station's broadcast of weekend NBC Sports Programming.

12. Station Reports. Each Station shall submit to NBC in writing upon forms provided by NBC or via e-mail or APT, as NBC may designate in writing, such reports as NBC may request covering the broadcast by Station of programs furnished to Stations hereunder.

13. Force Majeure. None of any Station, the Group, or NBC shall incur any liability hereunder because of NBC's failure to deliver, or the failure of a Station to broadcast, any or all programs due to failure of facilities, labor disputes, government regulations or causes beyond the reasonable control of the party so failing to deliver or to broadcast. Without limiting the generality of the foregoing, NBC's failure to deliver a program for any of the following reasons shall be deemed to be for causes beyond NBC's reasonable control: cancellation of a program because of the death, illness or refusal to appear or perform of a star or principal performer thereon, or because of such person's failure to conduct himself or herself with due regard to social conventions and public morals and decency, or because of such person's commission of any act or involvement in any situation or occurrence tending to degrade him or her in society, or bringing him or her into public disrepute, contempt, scandal or ridicule, or tending to shock, insult or offend the community, or tending to reflect unfavorably upon NBC or the program sponsor.

14. Indemnification. NBC shall indemnify, defend and hold each Station (individually, an "Indemnified Station"), its parent, subsidiary and affiliated companies, and their respective directors, officers and employees, harmless from and against all claims, damages, liabilities, costs and expenses (including reasonable attorneys' fees) arising out of the use by the

Indemnified Station, in accordance with this Agreement, of any program or other material as furnished by NBC hereunder, provided that the Indemnified Station promptly notifies NBC of any claim or litigation to which this indemnity shall apply, and that the Indemnified Station cooperates fully with NBC in the defense or settlement of such claim or litigation. Similarly, each Station (individually, an "Indemnifying Station") shall indemnify, defend and hold NBC, its parent, subsidiary and affiliated companies, and their respective directors, officers and employees, harmless with respect to (x) material added to or deleted from any program by the Indemnifying Station, except as expressly permitted under this Agreement and except for cut-ins produced by or on behalf of NBC and inserted by the Indemnifying Station at NBC's direction and (y) any programming or other material broadcast by the Indemnifying Station and not provided or expressly permitted by NBC hereunder.

These indemnities shall not apply to litigation expenses, including attorneys' fees, which the indemnified party elects to incur on its own behalf. Except as otherwise provided herein, neither any Station, on the one hand, nor NBC, on the other hand, shall have any rights against the other for claims by third persons, or for the non-operation of facilities or the non-furnishing of programs for broadcasting, if such non-operation or non-furnishing is due to failure of equipment, actions or claims by any third person, labor disputes, or any cause beyond such party's reasonable control.

15. Station's Right of Good Faith Cooperation. Throughout the term of this Agreement, NBC shall use good faith efforts to cooperate with Station in notifying Station of, and when commercially feasible in NBC's discretion, offering Station participation in, new NBC undertakings of over-the-air broadcast ventures within Station's community of license (whether or not involving the transmission of television programs, but excluding any existing ventures (including, without limitation, ventures with Paxson Communications and/or PaxTV) and excluding any acquisition of an ownership interest in any broadcast television station).

16. Program Development Costs. Throughout the term of this Agreement, upon request from NBC, Group and Stations shall engage in a good faith negotiation with NBC to contribute financially to potential future NBC efforts to secure, as part of NBC programming offered hereunder, major sports and entertainment programming opportunities (including, for example and without limitation, rights to broadcast National Football League games and entertainment programs such as "ER").

17. Change in Operations. Each Station represents and warrants that it holds a valid license granted by the FCC to operate Station as a television broadcast station; such representation and warranty shall constitute a continuing representation and warranty by Station. In the event that at any time (a) a Station's transmitter location, power, frequency, programming format or hours of operation are materially changed, (b) Station ceases to produce and broadcast local news, or (c) the number of hours of local news which Station broadcasts materially decreases, in each case so that such Station is of less value to NBC as a broadcaster of NBC programming than at the date of this Agreement, then NBC shall have the right to terminate this

Agreement with respect to such Station or Stations upon thirty (30) days prior written notice to such Station(s).

18. Assignment.

(a) This Agreement shall not be assigned or transferred (whether by operation of law or otherwise) directly or indirectly without the prior written consent of NBC, which consent shall not be unreasonably withheld (it being understood that NBC may withhold such consent if after conducting good faith due diligence on the proposed transferee, NBC has legitimate competitive, financial or operational reasons not to consent), and any permitted assignment shall not relieve Group or Stations of their respective obligations hereunder. Notwithstanding the foregoing, NBC's prior written consent shall not be required for an assignment or transfer to an affiliate of Group or, to the extent the proposed assignment or transfer relates solely to any one or more Stations, an affiliate of such Station(s). For purposes of this Section 18, (x) "affiliate" shall mean any entity directly controlling, controlled by or under common control with Group or Station, as applicable, (y) "control" shall mean having the power to direct the affairs of an entity by reason of any of the following: (i) having the power to elect or appoint, directly or indirectly, a majority of the governing body of such entity, (ii) owning or controlling the right to vote a majority of the voting interest of such entity or (iii) otherwise owning or controlling a majority interest in such entity, and (z) "transfer" shall include, without limitation, any direct or indirect change in the control of Group or any Station. Any purported assignment or transfer by Group or any Station without NBC's consent as required hereby shall be null and void and not enforceable against NBC.

(b) Group and each Station (individually, a "Transferring Station") agrees to include as a condition of any proposed assignment, sale or transfer of direct or indirect ownership or control of Group or the Transferring Station a contractually binding provision that the assignee or transferee shall assume and become bound by an agreement, to be provided by NBC substantially in the form of this Agreement but relating only to the Transferring Station (in the case of an assignment or transfer by a Station), for the remainder of the then-current term of this Agreement or, at NBC's option, three (3) years from the date of said assignment, sale or transfer, whichever period is greater. Upon NBC's approval of such proposed assignment, sale or transfer, NBC shall, pursuant to and in accordance with the terms and provisions of the assumption agreement, release the Transferring Station from any further liability to NBC under this Agreement with respect to obligations arising after the effective date of such assignment, sale or transfer. Each Station acknowledges that any such assignment, sale or transfer which does not so provide for such assumption and for NBC's right to extend the term of Station's affiliation agreement will cause NBC irreparable injury for which damages are not an adequate remedy. Therefore, each Station agrees that NBC shall be entitled to seek an injunction or similar relief from any court of competent jurisdiction restraining a Transferring Station from committing any violation of this Section 18(b).

(c) Each Station agrees that if any application is made to the FCC pertaining to an assignment or a transfer of control of Station's license. or any interest therein. Station shall immediately notify NBC in writing of the filing of such application. Except as to transactions pursuant to which NBC's consent is not required pursuant to Section 18(a) ("Permitted Transfers"), NBC shall have the right to terminate this Agreement, with respect to each Station for which an application was made, in the event of any assignment or transfer. Each Station agrees that promptly following Station's notice to NBC, Station (i) except in the case of Permitted Transfers, shall arrange for a meeting between NBC and the proposed assignee or transferee to review the financial and operating plans of the proposed assignee or transferee, and (ii) shall procure and deliver to NBC, in form satisfactory to NBC, the agreement of the proposed assignee or transferee that, upon consummation of the assignment or transfer of control of the Station's license, the assignee or transferee will assume and perform an agreement, to be provided by NBC substantially in the form of this Agreement but relating only to the Transferring Station, in its entirety without limitation of any kind. If Station complies with its obligations set forth in the preceding sentence and NBC does not terminate this Agreement with respect to such Station upon written notice to Station within the thirty (30) day period following the later of the meeting with the proposed assignee or transferee or the delivery to NBC of a satisfactory assumption agreement, NBC shall be deemed to have consented to the assignment or transfer of control.

(d) Group and Stations each acknowledge that notwithstanding any other provision of this Agreement, amounts payable to Group under Section 5 of this Agreement shall not be assignable. NBC agrees, however, upon Group's request to engage in reasonable commercial discussions with a proposed transferee regarding mutually acceptable economic terms.

(e) NBC agrees that in the event of a sale or transfer of all or substantially all of the assets or business of NBC (whether structured as a sale or transfer of equity or assets of NBC), NBC agrees to assign this Agreement to the purchaser or transferee and to cause such purchaser or transferee to assume NBC's obligations hereunder; provided that the foregoing agreement shall not apply in the event that this Agreement becomes an obligation of such purchaser or transferee by operation of law. Upon such assignment and assumption, NBC shall have no liability to Stations under this Agreement with respect to obligations arising after the effective date of such assignment and assumption.

19. Unauthorized Copying and Transmission; Retransmission Consent.

(a) No Station shall authorize, cause, or permit, without NBC's consent, any program or other material furnished to Station hereunder to be recorded, duplicated, rebroadcast or otherwise transmitted or used for any purpose other than broadcasting by Station as provided herein. Notwithstanding the foregoing, no Station shall be restricted in the exercise of its signal carriage rights pursuant to any applicable rule or regulation of the FCC with respect to retransmission of its broadcast signal by any cable system or multichannel video program distributor ("MVPD"), as defined in Section 76.64(d) of the FCC Rules, which (a) is located within the Designated Market Area ("DMA"), as defined by Nielsen, in which Station is located, or (b) was actually carrying Station's signal as of April 1, 1993, or (c) with respect to cable systems, serving an area in which Station is "significantly viewed" (as determined by the FCC) as of April 1, 1993; provided, however, that any such exercise pursuant to FCC Rules with respect to NBC programs shall not be deemed to constitute a license by NBC. NBC reserves the right to restrict such signal carriage with respect to NBC programming in the event of a change in applicable law, rule or regulation.

(b) In consideration of the grant by NBC to Stations of the non-duplication protection provided in an amendment to Stations' prior affiliation agreements with NBC, each Station hereby agrees as follows:

(i) Station shall not grant consent to the retransmission of its broadcast signal by any cable television system, or, except as provided in Section 19(b)(ii) below, to any other MVPD whose carriage of broadcast signals requires retransmission consent, if such cable system or MVPD is located outside the DMA to which Station is assigned, unless Station's signal was actually carried by such cable system or MVPD as of April 1, 1993, or, with respect to such cable system, is "significantly viewed" (as determined by the FCC) as of April 1, 1993.

(ii) Station shall not grant consent to the retransmission of its broadcast signal by any MVPD that provides such signal to any home satellite dish user, unless such user is located within Station's own DMA.

(c) If Station violates any of the provisions set forth in this Section 19, NBC may, in addition to any other of its rights or remedies at law or in equity under this Agreement or any amendment thereto, terminate this Agreement by written notice to Station given at least ninety (90) days prior to the effective date of such termination if such violation is not cured within sixty (60) days after Station's receipt of such notice.

20. "Branding" Plan Promotion.

(a) NBC agrees to work with each Station to "brand" Station as an "NBC Station" in the Station's market through cooperative efforts in areas such as on-air promotion, unified graphic design, use of the NBC peacock logo and NBC identification. Each Station agrees to be branded as an "NBC Station" and to participate in the foregoing branding promotion plan during the term hereof. NBC, on the one hand, and each Station, on the other hand, agree to consult with each other, promptly after execution hereof, with respect to implementation of such branding undertaking.

21. DTV Conversion. Each Station acknowledges that upon commencement of operation of Station's digital television signal ("DTV channel"), each Station will, to the same extent as this Agreement provides for carriage of NBC Television Network programming on its analog channel, carry on such DTV channel the digital feed of such network programming as and in the technical format provided by NBC consistent with the ATSC standards, including all "program-related material" (as defined below), provided such program-related material is formatted to be contained within the 6 MHz channel assigned by the FCC to each Station for digital broadcasting. It is expressly understood that this Agreement applies only to the primary network feed in digital format of the programming provided by NBC to its affiliated stations for the purpose of analog broadcasting (the "Primary Network Feed"), together with any associated program-related material, and that Stations will in no event be required to carry additional digital network programming (i.e., "multiplexed" programming). Consistent with and subject to the foregoing, each Station shall have the right to use any available portion of its digital signal for the purpose of transmitting local programs or any other material for any business purpose; provided, however, that in the event that NBC proposes that any Station or Stations carry network multiplexed programming or ancillary data which is not program-related material, each Station agrees to negotiate in good faith with NBC regarding the terms pursuant to which such multiplexed programming or ancillary data may be carried. As used in this paragraph, "program-

related material" shall mean (i) closed-captioning information, (ii) program identification codes, (iii) program ratings information, (iv) alternative language feeds related to the programming, (v) Nielsen data, (vi) programming, data and other enhancements which are related to the programming and network advertisements provided in the Primary Network Feed and which are intended to be viewed in conjunction with such programming and advertisements, and are transmitted concurrently or substantially concurrently therewith, (vii) such other material as has been agreed by the Affiliate Majority (calculated by excluding the affiliated television stations owned and operated by NBC), (viii) such other material as may be essential to or necessary for the delivery or distribution of the NBC Television Network programs in digital format, (ix) information and material directly associated with specific network commercial advertisements contained in the network programs, if such information or material is transmitted concurrently or substantially concurrently with its associated commercial advertisement, and (x) information and material designed to promote network programming, provided, that in no case shall such promotional and informational material supersede or substantially interfere with the Primary Network Feed then being transmitted for viewing by the audience. To the extent that a Station is not transmitting a DTV channel as of May 1, 2002 and Station is not then able to demonstrate to NBC that Station is exercising commercially reasonable efforts to transmit a DTV channel, NBC shall be permitted to offer its Primary Network Feed, together with any program-related material or other material provided by NBC for digital transmission, to any licensee transmitting a DTV channel in Station's community of license notwithstanding any other provision of this Agreement.

22. Applicable Law. The obligations of Stations and NBC under this Agreement are subject to all applicable federal, state, and local laws, rules and regulations (including, but not limited to, the Communications Act of 1934, as amended, and the rules and regulations of the FCC), and this Agreement and all matters or issues collateral thereto shall be governed by the law of the State of New York applicable to contracts negotiated, executed and performed entirely therein (without regard to principles of conflicts of laws).

23. Waiver. A waiver by Group, a Station or NBC of a breach of any provision of this Agreement shall not be deemed to constitute a waiver of any preceding or subsequent breach of the same provision or any other provision hereof.

24. Notices/APT. Any notices hereunder shall be in writing and shall be given (a) by personal delivery, overnight courier service, or registered or certified mail, addressed to Group at the addresses set forth on the first page of this Agreement and to any affected Station at the respective addresses set forth on Schedule I, or at such other address or addresses as may be specified in writing by the party to whom the notice is given or (b) if such notice relates to the scheduling, substitution, withdrawal, preemption or other aspect of programming hereunder, by posting to APT or by such other means as NBC may specify to Stations from time to time. Notices shall be deemed given when personally delivered, delivered to an overnight courier service, mailed or posted, except that notice of change of address shall be effective only from the date of its receipt. NBC and each Station agree to monitor APT on at least a daily basis and to

update APT as promptly as practicable and in any event so as to comply with the notice periods provided herein.

25. Captions. The captions of the paragraphs in this Agreement are for convenience only and shall not in any way affect the interpretation hereof.

26. Entire Agreement. The foregoing constitutes the entire agreement among Group, Stations and NBC with respect to the subject matter hereof, all prior understandings being merged herein, except for the most recent amendment with respect to network non-duplication protection under FCC Rules Section 76.92 and except for the Inventory Management Plan and the 1999 Promotion Swap Plan. This Agreement may not be changed, modified, renewed, extended or discharged, except as specifically provided herein or by an agreement in writing signed by the parties hereto; provided, that an amendment which affects only a particular Station may be executed only by NBC and such Station.

27. Confidentiality. The parties agree to use their best efforts to preserve the confidentiality of this Agreement and of the terms and conditions set forth herein, and the exhibits annexed hereto, to the fullest extent permissible by law. The parties recognize that Section 73.3613 of the FCC's Rules and Regulations requires the filing with the FCC of television network affiliation agreements by each affiliate, but are unaware of any requirement for the filing of exhibits annexed to such affiliation agreements. In the event that the FCC should request either party to file said exhibits, that party shall give prompt notice to the other, and shall submit said exhibits to the FCC with a request that said exhibits be withheld from public inspection pursuant to Section 0.459 of the FCC's Rules and Regulations on the grounds that said exhibits contain confidential commercial or financial information that would customarily be guarded from competitors and not be released to the public.

28. Savings Clause. If any provision of this Agreement, or the application of such provision to any circumstance, is held invalid, the remainder of this Agreement, or the application of such provision to circumstances other than those as to which it is held invalid, will not be affected thereby.

29. Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signature to each such counterpart were upon the same instrument.

Very truly yours,

NATIONAL BROADCASTING COMPANY, INC.

By: ______________________

AGREED:

GANNETT CO., INC.

By: ______________________

GANNETT GEORGIA, L.P.
WXIA-TV

By: ______________________

PACIFIC AND SOUTHERN COMPANY, INC.
WLBZ-TV

By: ______________________

MULTIMEDIA ENTERTAINMENT, INC.
WGRZ-TV

By: ______________________

WKYC-TV, INC.
WKYC-TV

By: ______________________

MULTIMEDIA HOLDINGS CORPORATION
KUSA-TV

MULTIMEDIA HOLDINGS CORPORATION
KNAZ-TV

By: ____________________

MULTIMEDIA HOLDINGS CORPORATION
WLTX(TV)

By: ____________________

GANNETT TENNESSEE, L.P.
WBIR-TV

By: ____________________

MULTIMEDIA CABLEVISION, INC.
KARE-(TV)

By: ____________________

MULTIMEDIA HOLDINGS CORPORATION
KPNX(TV)

By: ______________________

PACIFIC AND SOUTHERN COMPANY, INC.
WCSH-TV

By: ______________________

MULTIMEDIA KSDK, INC.
KSDK(TV)

By: ______________________